

Broadband USA Applications Database

Applicant Name: VINCITA NETWORKS, INC.

Project Title: Close the digital divide by delivering education & training tools via an innovative user interface

Project Type: Comprehensive Community Infrastructure

Executive Summary

The adoption of broadband has been tied to three (affordability, digital literacy, and relevancy) key areas in the Feb 23, 2010 study completed by the FCC. Our proposal seeks to address these three key areas in addition to the priorities set forth in this grant. Vincita Networks Inc (a minority supplier) will provide education and training tools to low income and economically distressed communities via an Internet Television Service. Vincita Networks Inc an iTV (internet Television) service provider will partner with a broadband service, Alameda County Social Services, Peralta Community College and the City of Oakland to deliver this comprehensive program. Affordability ' our proposal addresses this concern in the short term by nature of the this grant and in the long term by providing an alternative to cable TV via broadband that will ultimately reduce the total digital (telephone, internet, television) expenditure in the average household. Digital literacy ' our proposal overcomes this concern by providing a common user interface, a television remote control and connectivity to televisions. The barrier of knowing how to use a computer is overcome in our proposal. Relevancy ' our proposal provides access to interactive education content and other forms of content that address immediate needs of the user and therefore will become very relevant. We believe that by implementing an innovative solution via a remote control and television will drive usage and ultimately adoption of broadband within this demographic. To the end that our vision is successful future implementations of broadband in the last mile may take this form and leverage our experience for years to come. Our proposal also delivers in five core Recovery act priorities. These are as follows: ' Community Colleges ' Peralta Community College will partner in the delivery of education and training tools. ' Community Support Organizations ' Alameda County Social Services will partner in identifying recipients of the service. ' Low income residents of Alameda County are the primary beneficiary. ' Will bolster growth in an economically distressed area (Oakland unemployment rate was 8.78% while the national average was 7.73% over the last 24 months). A last mile component in non-rural Alameda County. The Digital Impact Group has a very current study that shows the persistent lack of broadband access for many Americans is costly for individuals, families, communities and the nation. Many aspects of day-to-day life, including work, shopping, education, accessing medical care and entertainment now require broadband access, and large segments of the populations are simply cut off from taking advantage of the resulting efficiencies. Today the lack of broadband access results in increased costs for a wide variety of reasons. From the perspective of individuals and families, lack of broadband access: 1. Limits access to goods and services, resulting in higher costs for households; 2. Reduces access to education and inhibits learning among children; 3. Increases job search costs, which lowers both earnings and the chance of finding a job; 4. Reduces

access to health information; and 5. Increases the costs associated with household financial management. Beyond the impact on individuals, Governmental entities incur higher costs in communicating with populations without broadband access since communications and transactions must occur via paper, mail, telephone or face-to-face contact. Digital exclusion also increases the cost of civic engagement, which reduces participation in the political process. The lack of broadband access also constrains local, regional, and national economic performance. Communities with limited broadband penetration rates have less productive households and bear higher costs in providing public services, placing them at a competitive disadvantage. At the national level, lack of broadband access lowers national production and wealth for at least five reasons: 1. Higher job search costs lower the number of people fully employed; 2. Higher job search costs result in sub-optimal job matching and lower earnings; 3. Higher costs to employers seeking access to the labor market will limit employment; 4. Lower educational attainment will lower production compared to what could be obtained; and 5. Higher costs for private businesses providing financial, real estate and other services, with large segments cut off from these services entirely. On the positive side, remedying digital exclusion will yield: 1. Personal Gains. Digital access results in individuals and groups directly gaining new economic, social and educational resources. 2. Reduction in Opportunity Costs. A particular form of direct gain to individuals and groups comes from reductions in opportunity costs. An activity made more efficient by online access is usually still available to those who are not online, but in vastly inferior forms: an entrepreneur who can access the Internet only from the local library when researching market opportunities, a resident who must wait in line to renew his or her driver's license,, and a shopper who must settle for a more limited selection of goods. 3. Positive Externalities. The term 'externalities' describes a situation in which the full costs or benefits of an action are not borne by those taking the action. Universal broadband access would result in many positive externalities: new connectivity helps educate people, connects them more efficiently to employment opportunities and business information, and provides avenues to organize themselves around civic issues and to hold their governments accountable. 4. Positive Network Effects. A particular type of externality is known as 'network effects.' Metcalfe's Law states that the value of a telecommunications network is proportional to the square of the number of connected users of the system. Thus when a person is added to the network, all network members are positively affected. An important enhancement to personal and commercial wellbeing that is provided by the Internet is the ability to easily and efficiently connect to a broader network of users. Remedying digital exclusion adds to that network of users, with important implications for fields such as health care, disaster and emergency response, energy management, and transportation. Prior research on Digital Impact Group (DIG) has demonstrated that comprehensive interventions can be highly successful in bringing vulnerable populations online, with impact on families in the areas of education, employment, health, and more. As a result of this study, we now know that investing in such programs will have major economic impact on families, communities, government, commerce and the nation as a whole. 50,000 Alameda County Residents participating in a Social Services program (low income) will qualify to participate in this unique program. Our startup business will benefit by growing a subscriber base large enough to sustain the operation for the short term while sales and marketing are being executed to drive growth. We will create approximately 38 direct jobs (management, engineering and customer service) to support this deployment and sustain the operation as we grow. The project cost is

\$8,467,000. We are seeking \$6,773,600 in a Federal grant with \$1,693,400 in matching funds. We believe that our matching funds will come via equity investments in our corporation.